Damaged Foodgrains

130. SHRI SANTOSH BAGRODIA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that during the year 1999-2000, 2.05 lakh tonnes of foodgrain costing approximately 180 crores were placed on damaged accounts by FCI;

(b) whether it is also a fact that accumulated stock of grains rotting in the godown is to the tune of 10 lakh tonnes and is classified as D category grain which means it is not fit for consumption even by cattle also; and

(c) if so, what steps Government have taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN): (a) Yes, Sir.

(b) and (c) No, Sir. As on 1.1.2001, a quantity of 1.71 lakh tonnes of 'D' category foodgrains was available with the Food Corporation of India (FCI). 'D' category foodgrains are upgradable through cleaning etc. to make these stocks fit for issue through PDS and other welfare schemes, if economically viable. Damaged foodgrains are categorized as fit for Cattle feed/industrial use/ manure/dumping. There is a laid down procedure for disposal of various categories of damaged foodgrains to the licensed dealers registered with the FCI.

Disposal of surplus Foodgrains

131. SHRI SANTOSH BAGRODIA:
SHRI C. RAMACHANDRAIAH:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that lakhs of tonnes of foodgrains have been rotting in the godowns of Food Corporation of India for years;

(b) whether it is also a fact that there are plans for this

foodgrains (part of which is imported) to be dumped into sea so that storage space is created when the next crops arrives; and

(c) if so, what steps Government have taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHRIRAM CHAUHAN): (a) The stocks of foodgrains held by FCI are divided into two categories *i.e.* Issueable stocks and Non-issueable stocks. Issueable stocks are fit for human consumption and categorized as A, B, C and D depending on the percentage of brokens, discoloured grains, Chalky grains, red grains and dehusked grains. Non-issueable stocks are unfit for human consumption and categorized as Feed-I, Feed-II, Feed-III, Industrial use, manure and dumping. As on 1st January 2001, FCI had a quantity of 1.59 lakh M.Ts. of Non-issueable foodgrains out of a total stock of 257.69 lakh M.Ts. which comes to about 0.62% only.

(b) No, Sir. Foodgrains unfit for human consumption are categorized as Feed-I, Feed-II, Feed-III, fit for industrial use/Manure etc. depending upon percentage of sound grains present in the lots. There is a set procedure for disposal of categories of foodgrains to the licenced dealers registered with FCI to ensure that these stocks are utilized properly. It has been decided that the stocks meant for dumping are first offered to the State Government and in case, no response is received with 10 days, the same is arranged to be dumped either in the premises of FCI or even outside the municipal limits at the expense of FCI through a Committee appointed for the purpose.

(c) Following steps have been taken to expedite disposal of foodgrains so that storage space is created for the forthcoming crops:—

> Full powers have been delegated to the High Level Committee (HLC) of Food Corporation of India in January, 2000 to dispose of imported wheat, C & D Category wheat and more than two years old wheat and in June, 2000 to dispose of 1997-98 and 1998-99 rice procured under relaxed specifications (URS), less than two years old D category rice and unmilled paddy, in a transparent manner by way of calling tenders. The FCI has been instructed on 16.01.2001 to release feed category foodgrains,

free of cost, to the drought affected States of Chhatisgarh, Gujarat, Himachal Pradesh, Maharashtra, Madhya Pradesh, Orissa, Rajasthan and Uttaranchal. The reserve prices of damaged foodgrains were also revised downwards to expedite disposal of damaged foodgrains. To ensure expeditious disposal of damaged foodgrains, FCI has also carried out modifications in the existing procedure. As per the new procedure, the earnest money to be deposited by the tenders for purchase of such foodgrains has been raised from 5% to 10% of the tendered value. In case of SSI units, this deposit has been raised from the existing 1% to 5% without any upper limit/ceiling.

Subsidy on Food

132. SHRI RAJNATH SINGH 'SURYA': Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that the attempt for reducing subsidy on food by increasing price of food items did not work this year;

(b) if so, the reasons therefor;

(c) whether subsidy on food has overshot the intended figure this year;

(d) if so, how much; and

(e) what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION **(SHRI SHRIRAM CHAUHAN)**: (a) to (e) The quantum of food subsidy depends on the level of procurement of foodgrains, the off-take under TPDS and various schemes involving subsidy. Both procurement and off-take are also determined by the market prices prevailing in respect of agricultural commodities. There has been increase in procurement and reduction in off-take of foodgrains in 2000-2001 which are expected to contribute to a